

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, April 27, 1948.

PRESENT: Mr. McCabe, Chairman
Mr. Szymczak
Mr. Draper
Mr. Evans
Mr. Vardaman
Mr. Clayton

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 26, 1948, were approved unanimously.

Memorandum dated April 19, 1948, from Mr. Vest, General Counsel, recommending increases in the basic annual salaries of the following employees in the Legal Division, effective May 2, 1948:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Wilson L. Hooff	Assistant Counsel	\$5,905.20	\$6,144.60
John H. Hunley	Messenger	1,990.00	2,093.04

Approved unanimously.

Memorandum dated April 20, 1948, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Harold F. Chapin, an economist in that Division, be granted leave without pay for the period April 18 to May 29, 1948, inclusive, for the purpose of receiving treatment for an illness and a period of convalescence.

Approved unanimously.

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Telegram to the Presidents of all Federal Reserve Banks reading as follows:

"The Board of Governors of the Federal Reserve System under authority of the fourth paragraph of Section 16 of the Federal Reserve Act hereby establishes for the three months' period ending March 31, 1948, the rate of (1) per cent interest per annum on that amount of the Federal Reserve notes of your Bank which equals the average daily amount of its outstanding Federal Reserve notes during such period less the average daily amount of gold certificates held during such period by the Federal Reserve Agent as collateral security for such notes. Interest in an amount calculated in the manner and at the rate specified above shall be paid to the United States on April 29, 1948.

"According to daily balance sheets, the average daily amount of outstanding notes of your Bank during the first quarter of 1948 not covered by gold certificates with the Federal Reserve Agent was \$ (2). At rate specified above, payment to Treasury for first quarter will be \$ (3). Payment should be credited to Treasurer's General Account as Miscellaneous Receipts, Symbol 1841-Interest Collected, Section 16 Federal Reserve Act as amended. No statement being given to press with respect to this action.

	"(1)	(2)	(3)
Boston	.99	\$1,064,145,921	\$2,626,545.37
New York	1.96	1,933,119,247	9,446,332.84
Philadelphia	.98	1,159,364,673	2,832,661.41
Cleveland	1.07	1,447,326,051	3,860,990.07
Richmond	.94	1,096,908,608	2,570,672.94
Atlanta	1.08	734,210,533	1,976,937.29
Chicago	1.20	1,915,541,517	5,730,880.37
St. Louis	1.02	844,740,417	2,148,186.45
Minneapolis	1.15	437,828,837	1,255,309.25
Kansas City	1.10	679,488,277	1,863,473.33
Dallas	1.58	466,659,040	1,838,253.06
San Francisco	2.46	599,428,028	3,676,382.42"

Approved unanimously.

Letter to Mr. Knoke, Vice President of the Federal Reserve Bank of New York, reading as follows:

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"This refers to your letter of April 8, 1948, with which you enclose certain correspondence with representatives of the Bank of Canada with regard to the collection of items for that bank. It is noted from the correspondence that you now propose to handle checks and other cash items received from the Bank of Canada on a cash basis, instead of on a noncash basis, as is the present practice.

"The Board concurs in the new procedure and approves your suggested modifications of the first paragraph of subdivision D of Section III (entitled 'Collection of Checks, Notes, Bills and other Items Payable Within the United States') of your letter to Mr. G. F. Towers, Bank of Canada, Ottawa, under date of December 1, 1937, which sets forth the standard conditions under which the Federal Reserve Bank of New York collects items for foreign banks. With respect to the time when credit will be given for Government checks, you state that 'For United States Government checks we will give credit on the day of receipt by us or on the next business day thereafter.' This wording is less definite than the statement with respect to New York City items and non-New York City items, and you may wish to consider the advisability of stating briefly the basis for determining whether credit is to be given on the day of receipt or on the following business day."

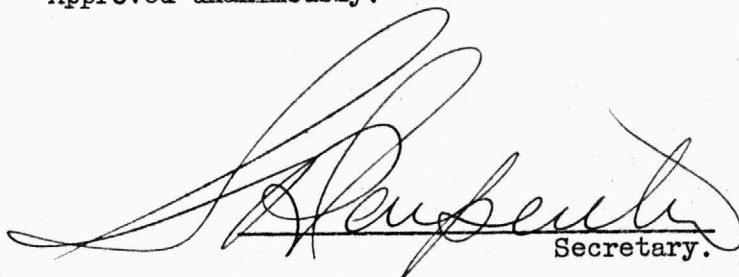
Approved unanimously.

Memorandum from Mr. Bethesda, Director of the Division of Administrative Services, recommending payment of a voucher in favor of Hart, Alderson, McCabe & Harkins in the amount of \$221.80 to cover the cost of a stenographic transcript of the hearings last month on the nomination of Mr. McCabe before the Senate Committee on Banking and Currency. The memorandum also recommended that the Miscellaneous item in the 1948 non-personal budget of the Board Members' Office be increased by \$221.80 to cover this expense.

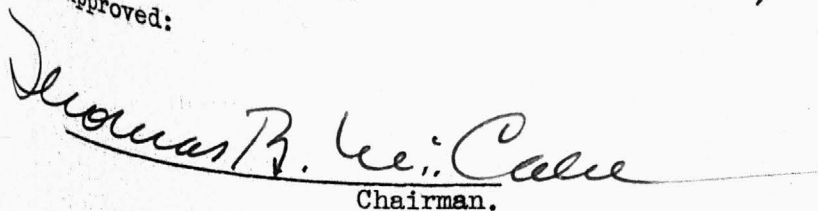
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Approved unanimously.


Secretary.

Approved:


Chairman.